

## FINANCIAL

# Turning Crisis into Opportunity

**When Christ Hospital separated from its parent, the chance to build a first-class IT organization came into focus.**

by Daphne Lawrence

For one Ohio hospital, what could have been a CIO's worst nightmare turned into an opportunity to implement some serious IT and improve operational efficiencies at the same time. When Christ Hospital, a 555-bed not-for-profit acute care hospital based in Cincinnati, separated from its parent organization, things could have gotten ugly on the IT side. After all, any interruption to the enterprise business operations like payroll and billing could bring hospital operations to a grinding halt. But acting CIO Deborah Hayes, working with the hospital's board, saw the separation as a chance to create a top-tier IT shop — from the ground up.

Christ Hospital had been a part of HealthAlliance of Greater Cincinnati, an eight-hospital system headquartered in Sharonville, Ohio (the details of the split are unavailable as the parties are in litigation). However, a key goal emerged from the breakaway: the decision to become a top 10 community hospital by the year 2010.

"We've been part of Health Alliance for 14 years," says Hayes. IT was a corporate function. Individual hospitals in the system didn't have the CIO position — or even an IT department. For Hayes, it was really working from scratch. "Not only are we picking new enterprise business systems, we are creating an entire IT department at the same time."



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Russ Rudish

### But there were risks

Russ Rudish, vice chairman and leader of New York-based Deloitte's U.S. Healthcare Provider Practice, has lived through several hospital spin-offs. "With a clean sheet of paper, I'm looking for safety," says Rudish. "I've also been in several situations over the years where payroll didn't get paid because of a technology problem. You've got to be able to bill the payers and get paid."

According to Rudish, payroll and billing needs are followed closely by supply chain and hospital financial reporting. "You've got to get your money in." He says that two-thirds of a hospital's expenses are payroll. "I would ask, 'What is the safest route for making that in the short term,' and that is the way I would go."

For Hayes, that safe route was Lawson (St. Paul, Minn.). Hayes says Christ Hospital used four criteria to evaluate vendors for the enterprise system: completeness of the product, ability to effect the separation in

an acceptable timeframe, reliability of the system and finally, ability to help achieve the "Top 10 in 2010 vision. "The board said to us, 'Find us a product that can achieve the goals we have set forth.'"

Christ Hospital had been using an older Lawson system for its financials. But though at first glance that would seem to skew the ven-



dor selection towards Lawson, it was quite the opposite: hospital staff wanted a system that was completely new. "But when we really sat down and did the evaluation, Lawson came out ahead," Hayes says. "The Lawson we saw in demo was not the Lawson we were using every day." (The runner up was Redwood City, Calif.-based Oracle's PeopleSoft.)

"I have to tell you it was a very close decision," says Hayes. "The interesting thing is at first I thought I would get a consensus in terms of vendor selection. What I got was 100 percent unanimous."

Christ Hospital will implement the full Lawson suite for human capital management, enterprise financial management, supply chain and business intelligence.

According to Rudish, a spin-off of this size often necessitates filling the gaps with consultants and outsourcing companies. And that's exactly what Hayes did. "Not only are we getting Lawson, we've engaged Accenture to help us in our transition," she says. "They are consulting with us on the entire transition process including the IT transition."

Hayes believes there is no hospital that could implement an entire IT department alone. Christ Hospital is also outsourcing the backbone of the IT infrastructure, the data center, and data warehouse. The hospital engaged Troy, Mich.-based CareTech to be its infrastructure outsourcer for all the back office functions in IT. CareTech hired a staff of onsite field representatives and brought a team to the hospital to help with the transition. "We also have our partners from Accenture who are working right now as out interim IT department," says Hayes.

Christ Hospital also took this opportunity to implement a new HIS system in addition to its Lawson ERP. "We're going with Epic," says Hayes, adding that Epic and Lawson will be interfaced because, "Epic doesn't have the complete line for ERP." She says the hospital selected Epic based on the full breadth of its offering. "We had 300 applications in the hospital and have gotten that down to about 200 by the system selection that we made." Hayes says one goal of the implementation is to reduce the numbers of interfaces between different systems. "Anybody that can be on Epic will be on Epic."

Currently, the hospital is in the process of application and interface testing and has go-lives scheduled for this spring. "We have already begun training our ERP users," says Hayes.

With a complete IT implementation such as this one, there's always the question of cost. "We are fortunate in that our board has been very gracious, and we have a foundation that is supporting the goal of separation and independence for the hospital," she says.

The hospital's HIS and ERP will go live within a month of each other. "I am very confident that we will be successful. I'm not naïve to think there won't be bumps in the road as we bring all these systems together," says Hayes. "But I have every confidence in the teams we have assembled. We would never bring systems live if we thought the organization or patients would be jeopardized."